

Message Text

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PAGE 01 LIMA 00145 062321Z

ACTION ARA-10

INFO OCT-01 ISO-00 SP-02 L-03 TRSE-00 EB-07 COME-00
CIAE-00 INR-07 NSAE-00 SS-15 NSC-05 SSO-00 NSCE-00
INRE-00 /050 W

-----062326Z 097132 /71

O 062245Z JAN 77

FM AMEMBASSY LIMA

TO SECSTATE WASHDC IMMEDIATE 3229

LIMITED OFFICIAL USE LIMA 0145

FOR S/P -DR. EINAUDI: ARA-MR. SHLAUDEMAN: L/ARA-MR. WILLIS:
TREASURY - MR. MARESCA

E.O. 11652: N/A

TAGS: EINV, BDIS, ENRG, PE

SUBJECT: GULF - INTERMINISTERIAL COMMISSION ORDERS
MOVEMENT IN CASE

REF: A) LIMA 0134 B) 1976 LIMA 11455

1. FINANCE VICE MINISTER KEIL TELEPHONED ECON OFF LATE
PM JAN. 6 (AS REF A BEING TRANSMITTED) AND INFORMED HIM
THAT INTERMINISTERIAL COMMISSION (MINISTERS OF ECONOMY AND
FINANCE, FOREIGN RELATIONS AND ENERGY AND MINES) HAD MET
THAT AM AND HAD DECIDED TO RESOLVE GULF CASE ALONG LINES
ALTERNATIVE A OF REFTTEL A (I.E. PERMIT GULF TO REMIT
COMPENSATION PAYMENT AT 45 SOLES TO THE DOLLAR.) ACCORDING
TO KEIL COMMISSION HAD DIRECTED FINANCE MINISTRY TO PREPARE
DRAFT DECREE LAW TO THIS EFFECT.

2. KEIL, WHO CLAIMED HE HAD BEEN INSTRUCTED BY FINANCE
MINISTER BARUA TO RELAY ABOVE INFORMATION TO ECON OFF, READ
DRAFT OVER PHONE. PROPOSED LAW WOULD A) REFER TO (AS YET
UNDRAFTED) MINISTRY OF ENERGY AND MINES (MEM) MINISTERIAL
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PAGE 02 LIMA 00145 062321Z

RESOLUTION SETTING VALUE OF EXPROPRIATED ASSETS AT 69,317,075
SOLES; B) DIRECT MINISTRY OF ECONOMY AND FINANCE TO MAKE THIS
AMOUNT AVAILABLE TO MEM FOR PURPOSE OF COMPENSATION PAYMENT
TO GULF AND C) ORDER THE BANCO DE LA NACION TO SELL TO GULF
APPROXIMATELY \$1.54 MILLION FOR 69,717,075 SOLES (45 SOLES
TO THE DOLLAR.) AS PART OF MECHANISM IN PAYMENT PROCESS
GULF WILL HAVE TO "MANIFEST ITS ACCEPTANCE" OF VALUATION OF

EXPROPRIATED ASSETS. ACCORDING TO KEIL THIS STEP WOULD COME AFTER DECREE LAW IS APPROVED. COMMENT: IN VIEW OF GULF'S EXISTING AGREEMENT IN PRINCIPLE WITH MEM RE VALUATION OF ASSETS, WE FORESEE NO PROBLEM HERE. END COMMENT. KEIL ALSO SAID THAT FOLLOWING APPROVAL OF DECREE LAW GULF COULD CONSULT WITH FINANCE MINISTRY AND BANCO DE LA NACION OVER METHOD OF PAYMENT, I.E. 6 INSTALLMENT PLAN PREVIOUSLY DISCUSSED VS. LUMP SUM. ECON OFF SAID THAT SPEAKING PERSONALLY TH THOUGHT GULF HAD WAITED SO LONG THAT BY NOW IT WOULD PROBABLY OPT FOR FUMP SUM PAYMENT.

3. KEIL WOULD GIVE NO ESTIMATE IN RESPONSE TO ECON OFF'S QUERY ON WHEN DECREE LAW WOULD BE SENT TO COUNCIL OF MINISTERS FOR CONSIDERATION. HOWEVER, KEIL SAID THAT APPROVAL OF DECREE LAW WAS NO PROBLEM IN LIGHT OF COMMISSION'S MANDATE FROM COUNCIL OF MINISTERS TO ELABORATE A SOLUTION TO GULF CASE.

4. COMMENT: LATEST DEVELOPMENT APPEARS TO BE RESULT OF EMBASSY'S MULTI-LEVEL APPROACHES TO GOP IN RECENT WEEKS. WHILE WE DOUBT THAT GOP WILL ACT BY END OF MONTH , WE ARE OPTIMISTIC THAT GOP'S INERTIA OF LAST 6 MONTHS HAS AT LAST BEEN OVER COME. IN VIEW OF THESE NEW DEVELOPMENTS WE PLAN TO HOLD OFF DELIVERY OF DIPLOMATIC NOTE (REFTEL A) PENDING POSSIBLE PERUVIAN ACTION. WE WILL INFORM DEPARTMENT IF AND WHEN WE DECIDE AT LATER DATE TO DELIVER NOTE.
DEAN

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Message Attributes

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